THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

WRIT PETITION No.14325 of 2007

Date: 13.07.2007

Between:

Kunuku Srinivasa Rao.

....Petitioner

And

The Govt. of A.P. and others.

....Respondents

THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

WRIT PETITION No.14325 of 2007

O R D E R:

The petitioner claims to be a member of Bobbili Co-operative Urban Bank Limited, Bobbili, Vizianagarm Ditrict, 5th respondent herein. The said Bank is running in losses. The Visakhapatnam Co-operative Urban Bank Limited, 7th respondent herein, is said to be running in profits. Since both the Banks are in the immediate neighbourhood, proposals were mooted for their merger. The General Bodies of both the Banks have passed resolutions, in this regard. At one stage, the proposals on behalf of the 5th respondent were forwarded to the District Co-operative Officer, Vizianagaram, 3rd respondent herein. On a consideration of the proposals, the third respondent issued proceedings, dated 12.10.2006, to the Commissioner for Co-operation, 2nd respondent herein, pointing out certain deficiencies. The grievance of the petitioner is that without complying with the deficiencies pointed out by the third respondent, steps are being taken to merge both the Banks, contrary to the provisions of the A.P.Co-operative Societies Act, 1964 (for short 'the Act').

One of the contentions raised by the petitioner is that the resolution passed by the general body of the 5th respondent does not accord with Rule 23 of the A.P.Co-operative Societies Rules, 1964 (for short 'the Rules'), inasmuch as 2/3rd majority was not secured, and Section 23 of the Act is also not complied with.

Learned Government Pleader for Co-operation obtained instructions at the stage of admission. He submits that the matter was examined by the second respondent, after receipt of proposals from respondents 5 and 7 and ultimately, through proceedings, dated 05.05.2007, he had recommended to the Reserve Bank of India, 8th respondent herein, for merger.

Sri P.V.Vijay Kumar, learned counsel appearing for respondents 5 and 7 submits that to protect the interests of the members of the Banks, particularly the 5th respondent-Bank, proposals were mooted for merger and no prejudice can be said to have been caused to the petitioner, particularly when he is going to get advantage of becoming the member of a Bank running in profits. He also submits that the petitioner had deposited a sum of Rs.300/- alone and the writ petition is filed with an ulterior motive.

The Act and the Rules prescribe the procedure for merger of the Societies registered under it. Inasmuch as respondents 5 and 7 are Urban Banks, having been granted licence by the Reserve Bank of India, 8th respondent herein, the final word would be that of the Reserve Bank of India. On his part, the Commissioner of Co-operation, 2nd respondent herein, who is the Apex Authority under the Act, found the proposals to be proper and recommended for merger. Through its orders in G.O.Rt.No.1142, Agriculture and Co-operation Department, dated 09.11.2002, the Government exempted the 5th respondent from the purview of Rule 23 of the Rules, as regards quorum.

Assuming that there are minor discrepancies and violations, this Court cannot interfere in the matter, at the instance of one individual, who is said to be having deposit of just Rs.300/-. When the members of both the Banks have agreed for merger, the proposals cannot be stalled, at the instance of an individual member.

The Writ Petition is, therefore, dismissed. There shall be no order as to costs.

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13.07.2007

JSU